

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 PA-01 SP-02 SS-15 ACDA-12 IO-13
EB-08 NRC-05 OES-07 SOE-02 DOE-15 CEQ-01 NSCE-00
SSO-00 ICAE-00 INRE-00 EUR-12 /123 W
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC IMMEDIATE 1129
INFO AMEMBASSY ISLAMABAD IMMEDIATE
AMCONSUL BOMBAY IMMEDIATE
AMCONSUL CALCUTTA IMMEDIATE
AMCONSUL MADRAS IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 6372

E.O. 11652: GDS
TAGS: TECH, ENRG, IN
SUBJECT: TROUBLE: IMPLICATIONS OF THE NRC'S FAILURE TO APPROVE
THE PENDING SHIPMENT FOR TARAPUR

REFS: A. STATE 101412; B. NEW DELHI 5513

1. THE DELAY OCCASIONED BY THE NRC'S INABILITY TO CLEAR THE
PENDING TARAPUR SHIPMENT AND THE ATTITUDES REPORTEDLY EXPRESSED
BY THE BLOCKING COMMISSIONERS HAVE CAUSED CONSTERNATION
HERE FOR OUR FRIENDS AND HAVE FUELED OUR ANTAGONISTS. SUCH
CHANCES AS WE HAVE FOR AN EVENTUAL MEETING BETWEEN U.S. AND INDIA
NON-PROLIFERATION POLICIES HAVE BEEN SET BACK, IF NOT DESTROYED.

2. THE SCENARIO FOR A HAPPY ENDING TO INDO-US DISAGREEMENTS
ON NUCLEAR QUESTIONS POSTULATED (A) TIME FOR MANEUVER ON BOTH
SIDES AND (B) DEPENDABLE US SUPPLY OF TARAPUR IN THE INTERIM.
IN UNDERCUTTING THE LATTER, THE NRC APPEARS ALSO TO HAVE COME
CLOSE TO FORCING A PREMATURE CLOSURE ON THE POSSIBILITY OF NEEDED
ACCOMMODATIONS FROM BOTH SIDES.

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3. FROM OUR SIDE, THE ACCOMMODATIONS REQUIRED BEFORE INDIA COULD
POSSIBLY BE EXPECTED TO MOVE TO ACCEPT FULL-SCOPE SAFEGUARDS
HAVE BEEN CLEAR SINCE PRESIDENT CARTER'S VISIT TO INDIA.
THEY ARE ENCOMPASSED IN THE THREE PRE-CONDITIONS SPECIFIED
TO HIM AND TO PM CALLAGHAN BY PM DESAI--NAMELY, A GENUINE CTB;
A LIMIT ON THE PRODUCTION OF NEW NUCLEAR WEAPONS; AND A COMMIT-

MENT TO REDUCE NUCLEAR STOCKPILES WITHIN SOME SPECIFIED PERIOD. MORARJI, WE BELIEVE, DID NOT INTEND THESE TO BE TOTALLY IMPOSSIBLE CONDITIONS, THOUGH HE KNEW THEY WERE HARD AND THAT FOR US TO MEET THEM MIGHT TAKE SOME TIME. PERHAPS COMMISSIONER GILENSKY KNOWS MORE

CERTAINLY THAN WE DO HERE THAT MEETING THESE CONDITIONS IS QUITE BEYOND OUR REACH WITHIN THE 18 MONTHS AVAILABLE UNDER THE NUCLEAR REGULATORY ACT OF 1978. IN ANY CASE, THE NRC DECISION SEEMS TO REFLECT LESS THAN TOTAL US ACCEPTANCE OF THE NOTION THAT CURBS ON VERTICAL PROLIFERATION BY THE NUCLEAR WEAPONS STATES ARE A FAIR BARGAIN FOR THE REQUIREMENT OF FULL-SCOPE SAFEGUARDS IN THE NON-WEAPONS STATES. MOREOVER, IN THE MINDS OF MANY INDIANS THE DISTINCTION BETWEEN THE NRC'S POWERS AND THOSE OF THE PRESIDENT IS NOT VERY CLEAR. EVEN BEFORE THIS SETBACK, IT WAS BEING ALLEGED BY SOME THAT THE DELAYS IN THE SHIPMENT WERE REALLY PART OF A USG PLOT DESIGNED TO HOLD INDIA DOWN. NOW THE MOST RECENT NRC ACTION IS BEING WIDELY CONSTRUED BY THE PRESS AND VARIOUS POLITICAL FIGURES AS SHOWING AGAIN AND ALL TOO FAMILIAR WILLINGNESS OF THE WESTERN POWERS (IN THIS CASE THE USA) TO MAINTAIN FAVORABLE CONDITIONS FOR THEMSELVES, WHILE DENYING EQUIVALENT TREATMENT TO THE LDC'S. (THE NRC'S REPORTEDLY HURRIED CLEARANCES OF A GROUP OF LICENSES FOR EEC COUNTRIES IN EARLY APRIL IS CITED DAILY AS A CONTRAST TO THE DELAYS AND THE DENIAL ACCORDED INDIA.) THUS, EVEN IF THE PARTICULAR PENDING SHIPMENT DOES COME THROUGHT EVENTUALLY THROUGH A PRESIDENTIAL DECISION, AS WE ASSUME THAT IT WILL, OUR CREDIBILITY AS A SUPPLIER

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HAS BEEN SERIOUSLY FURTHER DAMAGED, OUR BONA FIDES AS A COUNTRY SEEKING GENUINELY BETTER RELATIONS WITH INDIA HAS BEEN CALLED INTO QUESTION, AND TIME TO ACHIEVE THE MUTUAL ACCOMMODATIONS NEEDED SEEMS TO HAVE BEEN CUT SHORT.

4. THE ACCOMMODATIONS WE NEED FROM THE INDIANS, IT HAS BEEN CLEAR, ARE NOT ONES THAT CAN BE GAINED SWIFTLY, NOR CAN WE BE ENTIRELY SURE THAT MORARJI CAN DELIVER THEM EVENIF WE MEET THE THREE PRE-CONDITIONS HE HAS LAID DOWN FOR INDIA'S ACCEPTANCE OF FULL-SCOPE SAFEGUARDS. THE OPPOSITION TO ANYTHING SMACKING OF CAPITULATION TO US IN THIS AREA IS DEEP-ROOTED, WIDESPREAD, AND HIGHLY VOCAL. ON THE OTHER HAND, MORARJI'S COMMAND OF FOREIGN AND NUCLEAR POLICY HAS BEEN MASTERFUL AND HAS NOT BEEN SIGNIFICANTLY CHALLENGED; HIS MORAL INTEGRITY AND HIS COMMITMENT TO MAINTAIN INDIA'S INTEGRITY ARE UNQUESTIONABLE; AND THERE IS A LARGE BODY OF OPINION SYMPATHETIC TO CLOSE AND GOOD RELATIONE WITT THE USA ON WHICH HE CAN DRAW. IF WE SHOULD MANAGE TO COME CLOSE TO MEETING HIS THREE PRE-CONDITIONS WITH THE HELP OF THE USSR, I CAN IMAGINE HIS BEING ABLE TO PROJECT SUCCESSFULLY THE ARGUMENT THAT SINCE THE BIG NUCLEAR WEAPONS STATES HAVE ACCEPTED INDIA'S CHALLENGE TO THEM TO PUT A HALT TO VERTICAL PROLIFERATION AND MOVE TOWARD NUCLEAR DISARMAMENT, THEREFORE IT IS ONLY PROPER THAT

INDIA SHOULD MAKE AN EQUIVALENT RESPONSE--NAMELY, ACCEPT AN INTERNATIONAL REGIMEN OF FULL-SCOPE SAFEGUARDS. IF DISCRIMINATION MAY NOT HAVE BEEN TOTALLY OVERCOME BETWEEN THE NUCLEAR WEAPONS AND NON-WEAPONS STATES IN SUCH A TRADE-OFF, AT LEAST (HE WOULD BE ABLE TO SAY) THE WEAPONS STATES WILL HAVE RECOGNIZED THE FACT OF MUTUAL OBLIGATION AND ACTED ACCORDINGLY.

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5. ALL THIS, HOWEVER, PRESUPPOSES THE AVAILABILITY OF TIME BOTH FOR US TO ACHIEVE THE GOALS THAT MAY MEET MORARJI'S CRITERIA AND FOR HIM TO BUILD THE BROADER INDIA CONSENSUS NEEDED TO SUPPORT AN INDIAN ACCEPTANCE OF SAFEGUARDS AS AN ACT OF DIGNIFIED RECIPROCITY. AS THINGS ARE NOW, THE SENSE OF UNCERTAINTY, TOGETHER WITH EMOTIONAL ANTAGONISM, RAISED BY THE NRC'S MOST RECENT ACTION IS GOING TO MAKE IT VERY HARD INDEED FOR HIM TO SUSTAIN AND STRENGTHEN THAT CONSENSUS. EVEN THOSE WHO HAVE BEEN MOST FRIENDLY TO US AND MOST KEEN TO HAVE INDO-US RELATIONS ESTABLISHED ON A BASIS OF MUTUAL RESPECT AND TRUST ARE NOW QUERULOUS ABOUT THE NATURE OF OUR INTENT AS A NATION VIS-A-VIS INDIA. IF WE ARE TO HOLD THEIR GOODWILL, SOMEHOW WE MUST FIND A WAY OF REESTABLISHING OUR CREDIBILITY AS A COUNTRY THAT IS GENUINELY CONCERNED WITH INDIA'S WELL BEING.

6. I AM FORCED TO ASK AGAIN, THEN, WHETHER THERE MAY NOT BE SOME ASSURANCES THAT WE CAN OFFER THAT MAY HELP TO OFFSET AT LEAST IN PART CURRENT FEARS ABOUT THE EVENTUAL ENDING OF OUR TARPUR

SUPPLY RELATIONSHIP WHILE ALSO SERVING TO REESTABLISH A CLIMATE
OF SHARED CONCERN AND ENDEAVOR TO VIS-A-VIS THE LARGER NON-
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PROLIFERATION OBJECTIVES. IN AN EARLIER CABLE (REF B) I RAISED
THE QUESTION OF EXPLORING ALTERNATIVE WAYS OF HELPING THE INDIANS
MEET THE POWER SHORTAGES THAT WILL HIT BOMBAY AND PARTS OF GUJERAT
WHEN AND IF THE TARAPUR REACTORS HAVE TO BE SHUT DOWN FOR A FEW
YEARS. DOES THE USG SEE ANYTHING OF THAT SORT TO BE FEASIBLE?
IF NOT, DOES THE DEPARTMENT PERCEIVE ANY OTHER WAY THAT WE CAN
TONE DOWN THE CURRENT DISTRESS AND HELP CHECK INDIA'S NUCLEAR
HAWKS WHO ARE ONLY TOO EAGER TO MOVE THIS COUNTRY AWAY FROM US
NOT ONLY TOWARD REPROCESSING AT TARAPUR BUT BEYOND THAT TO RENWED
R&D ON NUCLEAR EXPLOSIVES.

7. SHORT OF ANY LARGER SOLUTION, A BRIEF PERSONAL MESSAGE
EXPRESSING HIS PERSONAL CONCERN AND COMMITMENT FROM THE PRESIDENT
TO PRIME MINISTER DESAI WITHIN THE NEXT FEW DAYS WOULD BE HELPFUL.
THE INDO-US RELATIONSHIP IS GOING TO BE UNDER SEVERE
PRESSURE IN THE PARLIAMENT AND THE PRESS AS A RESULT OF THE NRC
VOTE. I AM SURE THE PM WOULD APPRECIATE SOME WORDS OF REASSURANCE
FROM PRESIDENT CARTER.

8. THERE FOLLOWS A DRAFT OF A POSSIBLE PRESIDENTIAL MESSAGE:
BEGIN QUOTE DEAR MR. PRIME MINISTER:

I CAN IMAGINE THAT THE NRC'S INABILITY TO ACT ON THE LICENSE
APPLICATION FOR THE SHIPMENT OF ENRICHED URANIUM DUE FOR TARAPUR
MUST HAVE CAUSED CONSTERNATION IN INDIA. LET ME REASSURE YOU OF
MY COMMITMENT TO GETTING THIS SHIPMENT TO YOU AND TO KEEPING OPEN
THE POSSIBILITY OF RESOLVING OUR DIFFERENCES ON NON-PROLIFERATION
POLICY.

AS YOU WILL KNOW FROM READING REPORTS OF SECRETARY VANCE'S
RECENT TALKS IN MOSCOW, WE ARE SEEKING TO PUSH FOR A SIGNIFICANT
SALT II AGREEMENT WITH THE USSR AS WELL AS FOR A COMPREHENSIVE
TEST BAN. CLEARLY THE MAJOR NUCLEAR WEAPONS STATES
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MUST TAKE THE LEAD IN REDUCING THE DANGERS OF VERTICAL PROLIFERATION
AND INSTITUTING PROCEDURES FOR EVENTUAL NUCLEAR DISARMAMENT.
I APPRECIATE THE EMPHASIS YOU HAVE PUT UPON THIS AND WANT YOU
TO KNOW THAT WE ARE ENDEAVORING TO DO OUR PART.

PLEASE ACCEPT MY VERY BEST PERSONAL WISHES.
SINCERELY,

JIMMY CARTER

END QUOTE

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